

# Monthly Economic News You Can Use

October 2006 Data

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## National/State News

The not-seasonally adjusted national unemployment rate for October was 4.1, down from 4.4 percent in September and 4.6 percent for October 2005. From September to October not-seasonally-adjusted nonfarm employment increased by 712,000 to 136,738,000. The majority of the seasonal job gains were reported in state government, education and health services, retail trade, and professional and business services. Seasonal job losses occurred in leisure and hospitality services, and construction.

Maine's not-seasonally-adjusted unemployment rate for October was 4.2 percent, up from 4.1 percent for September and down from 4.4 percent for October 2005. Not-seasonally-adjusted nonfarm wage and salary jobs in Maine declined by 1,900 between September and October. The largest job loss was recorded in leisure and hospitality services as tourist-related activities subsided from the summer peak. Seasonal gains in local government education, private educational services, and retail trade partially offset job losses.

## Summary for North/East District

The October/September local Labor Market Area unemployment rates were as follows: Bangor MSA 4.4% from 4.4%; Calais 8.0% from 7.8%; Dover-Foxcroft 6.0% from 6.0%; Ellsworth 4.0% from 3.7%; Houlton 6.0% from 6.0%; Lincoln 6.5% from 6.3%; Machias 5.6% from 5.5%; Madawaska 5.3% from 5.1%; Milinocket 7.8% from 7.5%; Pittsfield 6.3% from 6.4% and Presque Isle 5.5% from 5.9%.

Detailed analysis for each Labor Market Area follows in alphabetical order.

## Bangor MSA

### Area Definition

The Bangor Metropolitan Statistical Area (MSA) is comprised of Alton, Amherst, Argyle Township unorganized, Aurora, Bangor, Bradford, Bradley, Brewer, Carmel, Charleston, Clifton, Corinth, Dedham, Dixmont, East Central Penobscot unorganized, Eddington, Edinburg, Enfield, Etna, Exeter, Frankfort, Garland, Glenburn, Greenbush, Hampden, Hermon, Holden, Howland, Hudson, Kenduskeag, Lagrange, Levant, Lowell, Maxfield, Milford, Newburg, Newport, Old Town, Orono, Orrington, Passadumkeag, Penobscot Indian Island Reservation, Plymouth, Stetson, Veazie and Winterport.

Metropolitan Statistical Areas were defined by the U.S. Office of Management Budget based on new standards and Census 2000 Commuting Patterns. Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

### **Civilian Labor Force Trends**

Item	October 2006	September 2006	October 2005
Civilian Labor Force*	74,400	73,100	73,000
Residents Employed	71,100	69,800	69,800
Unemployment	3,300	3,200	3,200
Unemployment Rate	4.4%	4.4%	4.3%

\* Numbers may not add due to rounding

Between September and October the local jobless rate remained unchanged at 4.4 percent. Resident employment increased by 1,300 to 71,100. Unemployment increased by 100. Fewer claims were filed from manufacturing, accommodations and food services and health care and social services while more were filed from and construction, administrative support and retail trade.

Last year the unemployment rate was 4.3 percent. Thirteen hundred fewer people were employed and one hundred fewer were unemployed.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 5.6 percent in February and March 2004 and the lowest was 2.7 percent in September 2000. The highest October unemployment rate recorded in this area was 4.5 percent in 2003 and 2004. The lowest October rate on record was 2.8 percent in 2000.

### **Characteristics of the Insured Unemployed**

Characteristics of the insured unemployed (weeks compensated for those people collecting state unemployment checks) for the month of October revealed that 29 percent were separated from the manufacturing sector, 12 percent from construction sector, and 9 percent from the health care and social services sector. As far as occupation of separation 20 percent were separated from production occupations, 18 percent from office related occupations, and 16 percent from construction and extraction occupations. Sixty-five percent of the insured claimants were male. In terms of family responsibility 61 percent were primary wage earners, 25 percent lived alone, and 14 percent were secondary wage earners. As far as reasons for unemployment 71 percent of the claimants said they were on temporary layoff, 9 percent were on permanent layoff, and 20 percent said they left their jobs voluntarily. Ninety-two percent had a least a high school education and 35percent had some post-secondary education. Eleven percent of the claimants were veterans.

### **Nonfarm Employment Jobs (jobs physically located in the area)**

Over-the-month nonfarm jobs in the Bangor MSA increased by 1,000 to 67,600 in October. Wholesale Trade, Professional Services, and Education and Health Services lost 100 jobs each. Retail Trade gained 400 jobs and Transportation Services gained 100 jobs. In the goods producing sectors, natural resources lost 100 jobs. State government grew by 800 jobs with the fall semester beginning at UMO and the reemployment of work-study students. Local government increased by 100 jobs.

Over-the-year, nonfarm employment increased by a total of 1,200 jobs. Retail trade and leisure services gained 400 jobs each, information services, financial services and professional services gained 100 jobs each. Education and health care and social services and other services lost 300 jobs each. In goods producing sectors, manufacturing lost 300 jobs while Construction gained 500 jobs and natural resources and mining gained 100 jobs. State and local government gained 400 mostly work study jobs

### **Firm Update**

**Clear Channel Communications Inc.** announced intention to solicit buyers for 448 of its 1,150 radio stations, including its 17 radio stations in Maine. Clear Channel is the nation's biggest radio station owner and

has accepted an offer of \$26.7 billion to merge with a private equity group. The stations in Bangor consist of WKSQ, Kiss 94.5; WVOM Voice of ME; WBFB The Bear; WWBX B97; WABI Radio AM 910; WLKE Lucky 99; WFZX 101.7 The Fox; and WGUY 102.1. (By Anne Ravana, Bangor Daily News, Friday, November 17, 2006)

#### **Closing/layoffs (past 12 months)**

Two company-owned **Radio Shack** stores in Brewer and Old Town are closed. The Brewer store is in Twin City Plaza and the Old Town store is in Old Town Plaza.

**Cold Stream Lumber Co.** future is uncertain. An April 29 fire did estimated \$2 million damage when it destroyed the company's sawmill and some office space in Enfield. The fire forced Cold Stream to lay off most of its 50 workers with thirteen hourly employees remaining at work. The mill continues to be shut down while financing to reopen is sought.

**Corinth Products Co. Inc.,** a local lumber company has closed its doors for good in September, laying off 21 people and becoming another casualty of the struggling Maine wood industry. There is interest in selling the company and there is a potential buyer for the lumber mill. An auction was held in October to sell off equipment.

The **Holiday Inn**-Civic Center on Main Street in Bangor is closed. Penn National Gaming Inc., based in Wyomissing, Penn. will build a 116,000-square-foot gaming facility that will house up to 1,500 slots and which will also house a four-story parking garage and seven-story hotel at the site of the Holiday Inn and the now demolished Main Street Inn.

**PIN Rx**, the Penobscot Nation's mail-order pharmacy that opened just one year ago, has run into financial difficulties. The pharmacy laid off 10 workers in order to meet its budget. There still are about 10 people employed at the facility. (Aimee Dolloff and Meg Haskell, Bangor Daily News, Friday, November 10, 2006)

Responding to industrywide trends of declining circulation and advertising sales, the Bangor **Daily News** announced it had laid off 11 employees. (By Staff, Bangor Daily News, Friday, November 10, 2006)

#### **Expansions (past 12 months)**

Construction is ongoing on the **City of Bangor's** new police station. The \$8 million project will be at the corner of Main and Cedar Streets. Completion is expected by mid December.

**Sargent & Sargent Construction** of Hampden has purchased **H.E. Sargent** of Stillwater.

Included in a **Department of the Interior** appropriations bill is \$1 million for the Penobscot River Restoration Project. Funds will be used to buy, demolish and remove the Great Works and Veazie Dams making the river free flowing through out the region.

**Grave's Super Markets** has sold two of their five stores in North/East Maine to employees and two others to **Hannaford Brothers**. The employee purchased stores was in Camden and Caribou. Hannaford will purchase the Hampden and Bar Harbor locations. The Presque Isle store will not change ownership.

**Kohl's Department Store** has opened on Stillwater Avenue and with it, most of the other stores in the Parkside complex including **Texas Roadhouse Steakhouse**, **Old Navy**, **A.C. Moore**, **Linens and Things**, **Gamestop** and **Famous Footwear** and others.

**L.L. Bean** is operating at their new 30,000 square foot facility at the Bangor International Airport. At peak season Bean employs over 600 area workers.

**Hollywood Slots Racino** has opened in Bangor. The facility will employ in excess of 120 full time workers.

In Brewer, a new **Dunkin Donuts**, and **Coffee Express** opened on Wilson Street as well as a new branch of the **Brewer Federal Credit Union** on Dirigo Drive have opened.

**China Harbor** is open at the site of the former Burger King on South Main Street in Bangor.

**Kosta's Restaurant** opened in Brewer.

**Angler's Restaurant** is open at the site of the former Log Cabin Restaurant in Newport.

The board of **Eastern Maine Healthcare Systems** has named a new CEO and president to replace Norman Ledwin as head of the growing regional nonprofit corporation. Michelle Hood, who now serves as president and CEO of a three-hospital system in Montana, will assume the leadership position at EMHS in May, 2006.

**Otelco Inc.**, a telecommunications company headquartered in Alabama, will acquire Bangor-based Mid-Maine Communications in a cash deal worth \$37.8 million. Mid-Maine provides business-to-business telecommunications services from Aroostook County to the Biddeford-Saco area.

Hampden-based **Maine Savings Federal Credit Union** broke ground in September for construction of its first Bangor branch office. The 6,000-square-foot location at 671 Broadway will be a full-service office and create eight full-time jobs.

A **Dress Barn** has opened in the Parkside complex.

**L.L. Bean** has opened an outlet store this month in the Parkade shopping center on Stillwater Avenue. The Freeport-based outdoor outfitter has signed a lease to occupy 13,000 square feet at the shopping center, located across Stillwater Avenue from the Interstate 95 interchange.

**Filene's** at the Bangor Mall has become **Macy's**

A new **Pizza Hut Bistro** has opened near the Bangor Mall. They employ approximately 40 area workers.

**Eastern Maine Medical Center** has constructed a 4.6 Megawatt electric generating plant to supply electricity and climate control to the hospital. The facility became operational in early fall.

A Passadumkeag company that makes fishing nets and other sports equipment for retailers such as L.L. Bean will plan on adding another four or five workers. **Wallace Bros. LLC Wood Craftsmen** has agreed to buy a 20,000-square-foot facility on the Old County Road.

### **Future Economic Development Projects**

**The University of Maine**, following the lead of Eastern Maine Medical Center will propose to the university system board of trustees the construction of a \$9 million, 9 megawatt electrical cogenerating facility to provide electricity and steam heat for the Orono campus.

A start up company **Hallowell International LLC** has received a city council approved \$200,000 loan and been granted a lease on a city owned building on Hildreth Street. The company will manufacture, assemble and distribute heat pumps.

**Eastern Maine Healthcare** has announced plans to construct a \$28 million cancer center in Brewer. The 60,000 square foot facility would be adjacent to EMHC headquarters on Whiting Hill Road.

The **James W. Sewall Company** of Old Town is planning a facility at the Old Town Airport. Such a facility would allow for consolidation of operations.

**Penobscot Community Health Center** of Bangor has received a \$3 million loan from the U.S. Department of Agriculture and is renovating the former Helen Hunt School in Old Town.

Plans by Dover-Foxcroft-based **Pleasant River Lumber Co.** to open a \$17 million spruce mill operation employing 70 people full time on U.S. Route 2 in Enfield will be delayed a year. Company officials indicated they need more time to decide what product lines match best with long term raw material availability.

**Bank of America** has cut 1,900 jobs in three states but has kept open its MBNA call centers in Orono and Brunswick. After completing the purchase, Bank of America announced in February that it was closing four of MBNA's call centers in Farmington, Fort Kent, Portland and Presque Isle which resulted in a loss of 345 full- and part-time jobs.

**Lowe's**, a home improvement chain with over 1,200 stores nationwide, has applied for permits and submitted a site plan application to build a new store on outer Wilson Street in Brewer where the former Agway and Pickard's Sport Shop are located. The retailer is proposing a 139,410-square-foot store and an additional 31,659-square-foot garden center. The multimillion-dollar store is expected to create as many as 200 jobs, 80 percent of them full-time, according to store officials.

A new **Pizza Hut Bistro** is under construction on Route 2 at the Triangle in Newport. Nearby, the former Scotty's Restaurant has opened as **Penne and Vino**.

**Treeline Inc.** in Lincoln and **Moosehead Cedar Log Homes** in Greenville teamed up to purchase the former **Blackwell Lumber** facility in East Corinth. Fifteen people work at the mill, an increase of half a dozen positions or so from the number of employees who worked at the facility for Blackwell.

The **Old Town Canoe Factory Outlet** has a new home at 125 Gilman Falls Ave., the former Kagan Lown Building. The store also will be increasing its inventory as it will carry products from her sister company Johnson Outdoors Inc.

A new proposal has been submitted for a 210,000-square-foot **Wal-Mart Supercenter** to be constructed on a 50-acre site behind the Blue Seal Feeds store on Stillwater Avenue in the Bangor Mall area. If approved, the multimillion-dollar construction project will begin sometime next year.

**Tim Horton's** is building a restaurant in Old Town and remodeling closed Wendy's hamburger shops in Brewer, Newport and Skowhegan. Construction will soon begin on the Broadway store in Bangor.

The company that owns and runs Brewer's Muddy Rudder and Bangor's Ground Round restaurants is proposing a 92-room **Courtyard by Marriott** hotel on a 16-acre tract near Interstate 95 and Bangor Mall. The proposed hotel is on an undeveloped portion of the former Osram Sylvania manufacturing plant property on Sylvan Road.

**Eastern Maine Medical Center's** plans for a \$41 million cancer center in Brewer have won state approval. The new 60,000-square-foot Brewer facility will provide improved patient care and accessibility said hospital officials, as well as more space for patient care, education, social worker consultation and nutritional services.

The former **Georgia-Pacific** mill in Old Town has been sold to the Maine Rural Development Authority and leased to **Red Shield Environmental** for \$1, a group of private investors who intend to develop and manage the site. Included in the sale are four chip mills that G-P shut down simultaneously with the mill closure and the mill's wastewater treatment facility, which will be operated by Red Shield. Other businesses involved in the mill redevelopment are **Tamarack Energy**, a renewable energy developer that will operate the boiler, **Lamtec Inc.**, a label-making company and **Hallowell International LLC**, a low-temperature heat pump manufacturer. Former workers at the G.P. mill have accepted the contract offered workers by Red Shield clearing the way to reopening. The final closing on the 67-acre former Georgia-Pacific mill in Old Town took place November 3<sup>rd</sup>. About 50 employees are expected to be hired before the end of the year.

## Calais LMA

### Area Definition

The Calais Labor Market Area is comprised of Alexander, Baileyville, Baring, Calais, Charlotte, Codyville Plantation, Cooper, Crawford, Eastport, Grand Lake Stream Plantation, Meddybemps, North Washington unorganized, Passamaquoddy Indian Township, Passamaquoddy Pleasant Point Indian Reservation, Pembroke, Perry, Princeton, Robbinston, Talmadge, Topsfield, Vanceboro and Waite.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	6,310	6,180	6,320
Residents Employed	5,810	5,700	5,780
Unemployment	500	480	530
Unemployment Rate	8.0%	7.8%	8.4%

The local unemployment rate increased from 7.8 percent in September to 8.0% in October. Resident employment increased by 110 to 5,810, while the number of unemployed increased by 20 to 500. Fewer claims were filed from manufacturing and retail trade while more came from construction, public administration and health care and social services.

Last October there were 30 fewer residents employed and 30 more residents were unemployed and the jobless rate was higher at 8.4 percent.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 14.1 percent in February 2003 and the lowest was 4.9 percent in September 2001. The highest October unemployment rate recorded in this area was 8.6 percent in 2002. The lowest October rate on record was 5.5 percent in 2001.

### Characteristics of the Insured Unemployed

The local area characteristics of the insured unemployed (number weeks compensated for those people collecting state unemployment checks) in October 2006 showed that 22 percent of the claimants were separated from manufacturing, 21 percent were from public administration, and 14 percent from construction. As far as occupation of separation 27 percent from were separated from production occupations, 21 percent construction/extraction occupations, and 18 percent from sales and office occupations. Fifty-seven percent of the claimants were male. Fifty-five percent were the primary wage earners for their families, 25

percent lived alone, and 20 percent were secondary wage earners. Ninety percent had at least a high school education and 38 percent had some post-secondary education. Seventy-five percent of the claimants said they were on a temporary layoff, 15 percent were on permanent layoff, and 10 percent said they left their jobs voluntarily. Nine percent were veterans.

### **Firm Update**

#### **Closing/layoffs (past 12 months)**

Officials at **Domtar Inc.** pulp and paper mill announced in early October they plan to lay off up to 18 employees over the next few months. The company is looking to attrition as a possible source of the layoffs. The company stated the layoff has nothing to do with the agreement that Montreal-based Domtar reached with Weyerhaeuser Co. in August to combine its fine-paper business with the Canadian papermaker in a deal that is valued at around \$3.3 billion.

#### **Expansions (past 12 months)**

**Vicus Technologies LLC** of Kennebunkport is operating a new production and research facility at the former Guilford Industries plant in Eastport. The company provides engineering, technical and program management services to a variety of customers.

**Bangor Hydro Electric** has engaged **Orland Dwelley and Son**, a local logging contractor to clear part of the right-of-way for the construction of a new 345kV transmission line. The line will run 84 miles from Baileyville to Orrington next to the Maritimes and Northeast natural gas pipeline.

**Creative Apparel** with the Passamaquoddy tribe as majority owners and manufacturing facility in Princeton has been awarded a \$25 million contract to manufacture chemical suits for the military.

After a year of construction, the new \$22.9 million **Calais Regional Hospital** opened in July.

**BASF** Aktiengesellschaft of Frankfurt has a presence in Eastport with the acquisition of Engelhard Corp. Engelhard, formerly the Mearl Corp. was a major employer in the community in the 1950s and 1960s. At one time the company employed around 200 people making a variety of products from herring that included fertilizer, firefighting foam and pearl essence products. Eventually the fertilizer and foam business became unprofitable and the local company focused on natural pearl essence out of their complex on the Staniels Road.

A lack of contracts for the manufacturing of chemical warfare suits has forced **Creative Apparel** to cut back its staff at their Eastport manufacturing facility.

**Cooke Aquaculture** of St. George and Blacks Harbour, New Brunswick has announced it will invest \$60 million in stocking salmon in Maine waters over the next 18 months, creating jobs for the aquaculture industry. The company's local operation is at Estes Head in Eastport. It owns several aquaculture facilities in Maine. In April 2004 Cooke's purchased Atlantic Salmon of Maine including aquaculture lease operations, a Machiasport processing plant, and hatcheries in Solon and the Rangeley village of Oquossoc. In July 2005, they purchased the Maine operations of Heritage Salmon In December 2005 Cooke bought Marine Harvest including the assets of Stolt Sea Farms.

### **Future Economic Development Projects**

A plan has been put forth by a company named **Ecomelt Corp** to build a basalt smelting facility at the site of the former Louisiana Pacific OSB mill in Woodland.

**The Maritimes and Northeast Pipeline LLC** has announced intentions to triple the capacity of their 850 mile pipeline through Maine.



**Quoddy Bay, LLC**, hopes to build an LNG terminal on Passamaquoddy tribal land at Pleasant Point in Washington County.

By a vote of 227-83, residents of the **Town of Robinston** approved a referendum question that now gives a Washington D.C.-based liquefied natural gas developer the green light to move forward with plans to build a \$400 million terminal in this Washington County community.

**BP Consulting LLC**, a locally owned and created firm has become a third suitor seeking to build a LNG facility in the Robinston area. The firm is project specific.

The **Maine Department of Transportation** has submitted a notice of intent to file with the state Department of Environmental Protection an application to construct a new \$50 million bridge between Calais and its Canadian neighbor, St. Stephen, New Brunswick. A new two-lane limited access road from the bridge will cross through the Calais Industrial Park to connect with U.S. Route 1.

**Calais Federal Savings and Loan** announced a pending merger with Gardiner Savings Institution subject to regulatory approval, with the actual change anticipated in the first quarter of 2007.

## **Dover-Foxcroft LMA**

### **Area Definition**

The Dover-Foxcroft LMA includes Abbott, Atkinson, Beaver Cove, Blanchard unorganized, Bowerbank, Brownville, Cambridge, Dexter, Dover-Foxcroft, Greenville, Guilford, Lake View Plantation, Medford, Milo, Monson, Northwest Piscataquis unorganized, Parkman, Ripley, Sangerville, Sebec, Shirley, Southeast Piscataquis unorganized and Willimantic.

### **Civilian Labor Force Trends**

Item	October 2006	September 2006	October 2005
Civilian Labor Force	9,580	9,590	9,590
Residents Employed	9,010	9,010	9,000
Unemployment	570	570	590
Unemployment Rate	6.0%	6.0%	6.2%

The jobless rate in the Dover-Foxcroft LMA remained unchanged at 6.0 percent in October. Resident employment was unchanged at 9,010 while the number unemployed was also unchanged at 570. Fewer claims were filed from manufacturing and transportation while there were more from retail trade, and health care and social services.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 9.5 percent in January 2002 and April 2003, the lowest was 4.1 percent in August 2000. The highest October unemployment rate recorded in this area was 7.0 percent in 2003. The lowest October rate on record was 4.5 percent in 2000.

The local unemployment rate was higher last October. Last year 9,000 residents were employed, 590 residents were unemployed and the unemployment rate was 6.2 percent.



## Characteristics of the Insured Unemployed

In October 2006, 19 percent of the insured claimants were separated from manufacturing, 16 percent from retail trade and 13 percent from construction. As for occupation of separation 26 percent were from production occupations, 15 percent from construction/extraction occupations, and 9 percent from sales and office occupations. Fifty-four percent said they were on a temporary layoff, 33 percent left their jobs voluntarily, and 13 percent were on a permanent layoff. Sixty-one percent of the claimants were male. Fifty-six percent were their family's primary wage earner, 32 percent lived alone, and 12 percent were secondary wage earners. Eighty-eight percent had at least a high school education and 21 percent had some post secondary education. Ten percent of the insured claimants were veterans.

## Firm Update

### Expansions (past 12 months)

**Mayo Regional Hospital** has completed the new \$650,000 building for Milo Family Practice in the Eastern Piscataquis Industrial Park.

**X-Ring Industries**, a subsidiary of MDM Muzzleloaders of Vermont opened in May creating approximately 25 new jobs.

**Maine Wood Turning** of New Vineyard, closed on the sale of a plant in Guilford (The former Pride Manufacturing Co.) and recalled most of the workforce.

## Future Economic Development Projects

**Plum Creek Timber Co.** has submitted a new concept plan soon for the proposed development and conservation of land in the Moosehead Lake region. The new concept plan still calls for development of two resorts and about 1,000 house lots in Unorganized Territory.

## Ellsworth LMA

### Area Definition

The Ellsworth LMA is made up of Bar Harbor, Beddington, Blue Hill, Brooklin, Brooksville, Bucksport, Castine, Central Hancock unorganized, Cranberry Isles, Deer Isle, Eastbrook, East Hancock unorganized, Ellsworth Franklin, Frenchboro, Gouldsboro, Great Pond, Hancock, Lamoine, Mariaville, Mount Desert, Northwest Hancock unorganized, Orland, Osborn, Otis, Penobscot, Prospect, Sedgwick, Sorrento, Southwest Harbor, Steuben, Stonington, Sullivan, Surry, Swans Island, Tremont, Trenton, Verona, Waltham and Winter Harbor.

## Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	31,230	32,060	31,660
Residents Employed	30,000	30,860	30,370
Unemployment	1,240	1,190	1,290
Unemployment Rate	4.0%	3.7%	4.1%

The local jobless rate increased from 3.7 percent in September to 4.0 percent in October. Resident employment decreased by 860 to 30,000. Unemployment rose by 50 to 1,240. More claims were filed from construction, accommodations and food service and retail trade. Fewer claims were filed from the manufacturing sector.

In October 2005, 370 more residents were employed and 50 more were unemployed and the unemployment rate was 4.1 percent.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 8.3 percent in February 2005, the lowest was 2.1 percent in August 2000. The highest October unemployment rate recorded in this area was 4.1 percent in 2005. The lowest October rate on record was 2.5 percent in 2000.

### **Characteristics of the Insured Unemployed**

A sample distribution of insured claimants in October 2006 revealed that 17 percent of the insured claimants were separated from manufacturing, 14 percent from retail trade and 13 percent were separated from accommodations and food service. As for occupation of separation 16 percent were separated from office and administrative occupations, 14 percent from construction and extraction occupations and 13 percent from food preparation and kitchen occupations. Seventy-one percent said they were on a temporary layoff, 24 percent left their jobs voluntarily, and 5 percent were on a permanent layoff. Fifty-three percent of the claimants were female. Forty-seven percent were their family's primary wage earner, 30 percent lived alone, and 23 percent were secondary wage earners. Ninety percent had at least a high school education and 35 percent had at least some post secondary education. Ten percent of the insured claimants were veterans.

### **Firm Update**

#### **Closing/layoffs (past 12 months)**

**The State of Maine** closed the Bar Harbor District Court. All court activities were transferred to the Ellsworth District Court beginning in August.

**Larry's Pastry Shop**, an Ellsworth institution closed after 51 years laying off 10 workers.

**International Paper Co.** has sold its coated paper business - including their Bucksport mill - to CMP Holdings LLC, an affiliate of the investment firm Apollo Management, for \$1.4 billion. The new company is operating under the name **Verso Paper**.

#### **Expansions (past 12 months)**

**International Paper** has announced the sale of 1.1 million acres in Maine and New Hampshire for \$250 million to GMO Renewable Resources, a Boston based investment firm. The sale did not affect the sale of I.P.'s mills in Jay and Bucksport.

A 410-acre property that includes the Corea Heath and was previously part of the U.S. Navy base at Winter Harbor has been transferred to the University of Maine System and the U.S. Fish and Wildlife Service. The Corea Heath now becomes a part of the **Maine Coastal Islands Wildlife Refuge**.

**Stinson Canning Company**, a division of Bumble Bee Seafood has increased production and employment levels at their Prospect Harbor plant. The company has closed their Bath facility and shifted production to Gouldsboro.

**The Marine Environmental Research Institute** in Blue Hill is constructing a \$312,000 expansion which will include a public aquarium and visitor's center. Construction is ongoing.

**MDI Hospital** has opened a new wing containing an OB unit. The new wing is part of a \$3.5 million capital improvement campaign.

Installation of the new debarking facility for the **Verso Paper Co.** mill in Bucksport is continuing. The drum debarker is the key piece in Verso's new \$14.4 million wood yard now under construction. The

wood yard is the receiving area for the spruce and fir logs used in the papermaking process and includes a debarking facility where bark is removed before the wood moves into the mill for grinding.

**Mount Desert Island Biological Laboratory** continues construction of a new 15,000 square foot research facility. The first new building in more than 30 years, when completed in 2008, it will increase research space at the lab by more than twenty percent.

**Jackson Laboratory** has opened its new \$26 million research facility on its Mount Desert Island campus. Opening of the facility will enable the lab to add 125 positions to its current total of 1,300 employees

### **Future Economic Development Projects**

The Bar Harbor-based **Downeast Rail Heritage Preservation Trust** signed a 15-year lease on a 29-mile stretch of state-owned rail line between Brewer and Washington Junction with the intent to upgrade the rail bed to support passenger excursion rail service on its proposed Downeast Scenic Railroad. The trust plans to operate an excursion railroad for tourists between Ellsworth and Green Lake in Dedham.

**Wal-Mart** plans to construct a Supercenter on Route 3. Permitting delays has pushed back planned opening to spring of 2007.

**Lowe's**, the national home improvement chain is planning to construct a 170,000 square foot store on Route 3 in Ellsworth.

**Acadia Capital Corp.**, a development organization that seeks to improve the economy of Maine, is working with the University of Maine System to establish a marine and aquaculture Business Park on part of the recently transferred Corea Heath.

**Morris Yachts** of Trenton has been named the newest Pine Tree Development Zone and as a result will push ahead a planned \$1 million expansion at the company's production plant which in turn will create as many as 20 new jobs. Expansion plans call for adding between 20,000 and 25,000 square feet to the production plant.

The state **Department of Transportation** was unable to match the opening of the new Penobscot Narrows Bridge and Observatory to the 75th anniversary of the opening of the bridge it will replace. DOT officials and engineers are looking at an early December opening.

Jackson Laboratory will launch the first commercial entity the nonprofit lab has ever started in the former Display Concepts building on Route 3 in Trenton. **Bar Harbor Biotechnology** will begin as a four-employee startup biotechnology firm, which will specialize in helping scientists develop genetic profiles of biological tissue

## **Houlton Labor Market Area**

### **Area Definition**

The Houlton LMA includes Amity, Bancroft, Cary Plantation, Crystal, Danforth, Dyer Brook, Hammond Plantation, Haynesville, Hersey, Hodgdon, Houlton, Island Falls, Kingman unorganized, Linneus, Littleton, Ludlow, Macwahoc Plantation, Monticello, Moro Plantation, Mount Chase Plantation, New Limerick, Oakfield, Orient, Patten, Reed Plantation, Sherman, Smyrna, Stacyville and Weston.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	8,730	8,680	8,420
Residents Employed	8,210	8,170	7,860
Unemployment	520	520	560
Unemployment Rate	6.0%	6.0%	6.6%

The local jobless rate fell remained unchanged at 6.0 percent in October. Resident employment increased by 40 to 8,210, while unemployment was unchanged at 520. More unemployment claims were filed over-the-month from construction, accommodations and food service and manufacturing while fewer were filed from agriculture and forestry.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 9.1 percent in May 2005, the lowest was 3.1 percent in September 2000. The highest October unemployment rate recorded in this area was 6.6 percent in 2005. The lowest October rate on record was 3.5 percent in 2000.

Last October 7,860 local residents were employed and 560 were unemployed and the local jobless rate was 6.6 percent.

### Characteristics of the Insured Unemployed

In October 2006, 15 percent of the insured claimants were separated from agriculture, forestry and fishing, 14 percent from construction, and 10 percent from manufacturing. As for occupation of separation 15 percent were from office occupations, 14 percent were separated from food preparation and service occupations, and 10 percent were separated from construction and extraction occupations. Seventy-one percent said they were on a temporary layoff, 24 percent left their jobs voluntarily, and 5 percent were on a permanent layoff. Sixty-one percent of the claimants were male. Sixty-two percent were their family's primary wage earner, 18 percent lived alone, and 20 percent were secondary wage earners. Eighty-three percent had at least a high school education and 23 percent had at least some post-secondary education. Two percent of the insured claimants were veterans.

### Firm Update

#### Future Economic Development Projects

**Louisiana-Pacific Corp.** in New Limerick plans a major expansion. The facility will be converted from the manufacture of Oriented Strand Board (OSB) to Oriented Strand Lumber (OSL) by the end of next year. The conversion will require an addition to the facility and an expansion of the workforce. Particulars are not yet available.

The **Houlton Band of Maliseets** announced its intentions Tuesday to build a \$9 million biodiesel processing plant on tribal land in Houlton. Biodiesel is an alternative fuel that produces fewer emissions and has better lubricating qualities than regular diesel fuel. A tribal official said biodiesel is a renewable fuel that can be domestically produced from vegetable oils or animal fat.

### Lincoln Labor Market Area

#### Area Definition

The Lincoln LMA includes Burlington, Carroll Plantation, Chester, Drew, Lakeville, Lee, Lincoln, Prentiss, Springfield, Twombly unorganized, Webster, Whitney unorganized, and Winn.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	3,850	3,760	3,760
Residents Employed	3,600	3,530	3,530
Unemployment	250	240	230
Unemployment Rate	6.5%	6.3%	6.1%

The local jobless rate increased from 6.3 percent in September to 6.5 percent in October. Resident employment increased by 70 to 3,600, while unemployment increased by 10 to 240. Fewer unemployment claims were filed from manufacturing and retail trade. More claims were filed from construction and administrative services.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 14.4 percent in April 2004, the lowest was 3.9 percent in August 2000. The highest October unemployment rate recorded in this area was 8.9 percent in 2004. The lowest October rate on record was 4.0 percent in 2000.

Last October 3,530 local residents were employed, and 230 were unemployed, and the local jobless rate was 6.1 percent.

### Characteristics of the Insured Unemployed

In October 2006, 26 percent of the insured claimants were from construction, 25 percent were separated from manufacturing and 11 percent were from administrative services. As for occupation of separation, 32 percent were separated from construction and extraction occupations, 20 percent from production occupations, and 16 percent were separated from office related occupations. Eighty percent said they were on a temporary layoff, 17 percent left their jobs voluntarily, and 3 percent were on a permanent layoff. Seventy-six percent of the claimants were male. Fifty-eight percent were their family's primary wage earner, 27 percent lived alone, and 15 percent were secondary wage earners. Eighty-five percent had at least a high school education and 19 percent had at least some post secondary education. Twenty-two percent of the insured claimants were veterans.

### Firm Update

#### Expansions (past 12 months)

A local logging contractor, Steven Hannington has opened a new firm **Maine Cooking Woods LLC** in Lincoln. With a facility in Lincoln the firm will chip, package, store and ship local hardwood for the outdoor grilling market.

**Penobscot Valley Hospital in Lincoln** has completed a \$5 million upgrade, including a doubling of the size of its surgical suites, plus renovated waiting rooms, labor and delivery suites, switchboard and patient registration and laboratory workroom areas. Several other medical facilities are expanding, and a veteran's health clinic is being built on River Road.

**Lincoln Paper & Tissue LLC** has dedicated their new \$36 million tissue machine. The first such machine installed in Maine since 1990, the new machine created about 40 full-time jobs and helped solidify the plant's 354-worker operation by doubling its tissue-making capacity to make LP&T the region's largest employer.

### Future Economic Development Projects

**Evergreen Energy Co.** has purchased the former Beaver Wood Joint Venture, or Beaver Chester plant in Chester. A long-dormant power plant off Route 116 might be revitalized with the purchase of the plant; its

land and equipment were bought for about \$750,000. The 17-megawatt facility, owned by Alternative Energy Inc., burned sawdust, chips, bark and other waste wood to produce electricity from 1986 to 1992, when Bangor Hydro-Electric Co. purchased the remainder of its 25-year contract for more than \$25 million and closed it down.

## **Machias Labor Market Area**

### **Area Definition**

The Machias LMA includes Addison, Beals, Centerville, Cherryfield, Columbia, Columbia Falls, Cutler, Deblois, Dennysville, East Central Washington unorganized, East Machias, Harrington, Jonesboro, Jonesport, Lubec, Machias, Machiasport, Marshfield, Milbridge, Northfield, Roque Bluffs, Wesley, Whiting and Whitneyville.

### **Civilian Labor Force Trends**

Item	October 2006	September 2006	October 2005
Civilian Labor Force	8,400	8,670	8,570
Residents Employed	7,930	8,200	8,050
Unemployment	470	480	520
Unemployment Rate	5.6%	5.5%	6.1%

The local jobless rate increased from 5.5 percent in September to 5.6 percent in October. Resident employment decreased by 270 to 7,930, while unemployment decreased by 10 to 470. More unemployment claims were filed from health care and social services and retail trade. Fewer claims were filed from construction and accommodations and food service.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 10.6 percent in February 2003, the lowest was 3.1 percent in August 2000. The highest October unemployment rate recorded in this area was 6.4 percent in 2004. The lowest October rate on record was 3.9 percent in 2000.

Last October 8,050 local residents were employed, and 520 were unemployed, and the local jobless rate was 6.1 percent.

### **Characteristics of the Insured Unemployed**

In October 2006, 20 percent of the insured claimants were from manufacturing, 17 percent from healthcare and social services and 9 percent were separated from retail trade. As for occupation of separation 23 percent were separated from production occupations, 14 percent were separated from food preparation and service occupations, and 12 percent from office and administration occupations. Sixty-six percent said they were on a temporary layoff, 14 percent left their jobs voluntarily, and 20 percent were on a permanent layoff. Sixty-two percent of the claimants were female. Fifty-one percent were their family's primary wage earner, 22 percent lived alone, and 27 percent were secondary wage earners. Ninety-one percent had at least a high school education and 30 percent had at least some post secondary education. Thirteen percent of the insured claimants were veterans.

### **Firm Update**

#### **Expansions (past 12 months)**

The completed **Maine Veterans Home** in Machias now employs approximately 35 health service workers.

## Future Economic Development Projects

**BaySide Supermarket**, the only grocery store in Milbridge will expand by next spring. The business will lease an 18,000-square-foot building currently under construction on a formerly empty lot on Main Street. The supermarket's expansion will bring about 15 more jobs, most of them full-time with benefits.

## Madawaska Labor Market Area

### Area Definition

The Madawaska LMA includes Frenchville, Grand Isle, Madawaska and Saint Agatha.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	2,970	2,950	2,980
Residents Employed	2,810	2,800	2,810
Unemployment	160	150	170
Unemployment Rate	5.3%	5.1%	5.7%

The local jobless rate went from 5.1 percent in September to 5.3 percent in October. Resident employment increased by 10 to 2,810, while unemployment increased by 10 to 160. Fewer unemployment claims were filed from forestry and logging and credit intermediation. More claims were filed from accommodations and food service and financial services.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 8.2 percent in January 2005, the lowest was 2.5 percent in August 2000. The highest October unemployment rate recorded in this area was 6.0 percent in 2003. The lowest October rate on record was 2.9 percent in 2000.

Last October 2,810 local residents were employed, 170 were unemployed, and the local jobless rate was 5.7 percent.

### Characteristics of the Insured Unemployed

In October 2006, 23 percent were separated from accommodations and food service, 16 percent from manufacturing, and 12 percent from financial services. As for occupation of separation, 31 percent were separated from office related occupations, 17 percent were separated from production occupations and 16 percent from food preparation and service occupations. Seventy percent said they were on a temporary layoff, 8 percent left their jobs voluntarily, and 22 percent were on a permanent layoff. Thirty-nine percent were their family's primary wage earner, 30 percent lived alone, and 31 percent were secondary wage earners. Eighty-nine percent had at least a high school education and 35 percent had at least some post secondary education. Four percent of the insured claimants were veterans.

### Firm Update

#### Expansions (past 12 months)

**Evergreen Manufacturing Co. LLC**, a packager of fragrances and paper recycling manufacturer, and **Evergreen Trading Co. LLC**, a truck brokerage firm, were named the Greater Madawaska Area's Business of the Year.

**Madawaska Pharmacy LLC** has opened a drug store/pharmacy on Main Street in Madawaska.



### **Future Economic Development Projects**

**Frasier Papers**, with a combined 1,200 workers at their Edmunston N.B. pulping facility and Madawaska paper mill (800 in Madawaska) has announced plans to invest \$8 million on the Edmunston mill. The company will refurbish the recovery boiler and under take major maintenance projects.

**Aroostook Wind Energy LLC**, A Delaware-based Company involved in wind energy is taking options on hundreds of acres of farm and forestland in the central St. John Valley where a wind farm could be located. The town of St. Agatha signed a five-year option for 30 acres. The land was the site of the former landfill the town had on a cross road between Routes 161 and 162.

**Marden's Surplus and Salvage Co.** announced the company will be opening a new store in Madawaska, sometime in October. The store will open in the 57,000 square foot former Ames Department Store location and will hire between 40 and 60 people employees.

### **Millinocket Labor Market Area**

#### **Area Definition**

The Millinocket LMA includes East Millinocket, Glenwood Plantation, Mattawamkeag, Medway, Millinocket, Northeast Piscataquis unorganized, North Penobscot unorganized, Seboeis Plantation, South Aroostook unorganized and Woodville.

#### **Civilian Labor Force Trends**

Item	October 2006	September 2006	October 2005
Civilian Labor Force	4,260	4,370	4,260
Residents Employed	3,930	4,050	3,900
Unemployment	330	330	370
Unemployment Rate	7.8%	7.5%	8.6%

The local jobless rate rose from 7.5 percent September to 7.8 percent in October. Resident employment decreased by 120 to 3,930, while unemployment was unchanged at 330. More unemployment claims were filed from the retail trade, and accommodations and food service services sectors. Fewer claims came from the manufacturing and health care and social services sectors.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 30.0 percent in May 2003, the lowest was 4.2 percent in August 2000. The highest October unemployment rate recorded in this area was 20.0 percent in 2003. The lowest October rate on record was 4.5 percent in 2000.

In October 2005, 3,900 local residents were employed, and 370 were unemployed, and the local jobless rate was 8.6 percent.

#### **Characteristics of the Insured Unemployed**

In October 2006 of workers separated by industry, 24 percent of the insured claimants were from construction, 12 percent were both manufacturing and administrative services sectors. As for occupation of separation 32 percent were separated from construction/extraction occupations, 14 percent from installation and maintenance occupations and 9 percent were separated from production occupations. Eighty-four percent said they were on a temporary layoff, 11 percent left their jobs voluntarily, and 5 percent were on a permanent layoff. Sixty percent were their family's primary wage earner, 23 percent lived alone, and 17 percent were secondary wage earners. Ninety-four percent had at least a high school education and 36 percent had at least some post-secondary education. Nine percent of the insured claimants were veterans.

## Firm Update

### Expansions (past 12 months)

**Porter's Woodworking Co.** has moved most of its equipment into and begun filling production orders in the 15,000-square-foot building at the Katahdin Regional Industrial Park. The 19-lot industrial park in East Millinocket is off Route 157 in a mixed commercial-industrial zone.

Frasier Papers, which currently operates **Katahdin Paper** for Brookfield Asset Management is seeking to purchase the mills. The current owner is a Toronto based holding company which also has a more than forty percent ownership stake in Frasier.

**Millinocket Regional Hospital** is being partially renovated for about \$1.15 million to produce a new wellness and physical therapy center. That work is due to finish by mid-March. (Nick Sambides Jr., Bangor Daily News, November 21, 2006)

### Future Economic Development Projects

After a lengthy delay, plans are on track for an industrial park totally powered by a 600 horsepower biomass boiler in the **Town of Medway**. The project has applied for Pine Tree Zone status.

Area businessman **Richard Allen** is expected to meet with the East Millinocket Board of Selectmen to ink a deal to buy a lot in the town industrial park for a small maple syrup bottling factory, storage facility and office to be operational sometime next year.

Two East Millinocket businessmen have launched a factory that is building outdoor, environment-friendly wood-fired residential boilers and hope to have 40 workers on its payroll by January. **Clean Woods Heat LLC** will be making 20 90,000-Btu Black Bear boilers a week from their building in the Katahdin Regional Industrial Park off Route 157 by the end of September.

## Pittsfield Labor Market Area

### Area Definition

The Pittsfield LMA includes Burnham, Corinna, Detroit, Harmony, Hartland, Kingsbury Plantation, Palmyra, Pittsfield, Saint Albans, Troy and Wellington.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	7,740	7,650	7,870
Residents Employed	7,250	7,160	7,360
Unemployment	490	490	510
Unemployment Rate	6.3%	6.4%	6.5%

The local jobless rate decreased from 6.4 percent in September to 6.3 percent in October. Resident employment increased by 90 to 7,250, while unemployment was unchanged at 490. More unemployment claims were filed from manufacturing and administrative services. Fewer claims were filed construction.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 9.9 percent in January 2002, the lowest was 3.3 percent in August 2000. The highest October unemployment rate recorded in this area was 7.3 percent in 2003. The lowest October rate on record was 3.8 percent in 2000.

Last October 7,360 local residents were employed, and 510 were unemployed, and the local jobless rate was 6.5 percent.

## Characteristics of the Insured Unemployed

In October 2006, 28 percent of the insured claimants were from manufacturing, 11 percent from healthcare and social services and 10 percent from construction. As for occupation of separation 32 percent were separated from production occupations, 16 percent from clerical and office occupations and 10 percent were separated from construction and extraction occupations. Sixty-four percent said they were on a temporary layoff, 25 percent left their jobs voluntarily, and 11 percent were on a permanent layoff. Sixty-three percent of the claimants were male. Fifty-two percent were their family's primary wage earner, 25 percent lived alone, and 23 percent were secondary wage earners. Eighty-seven percent had at least a high school education and 17 percent had at least some post-secondary education. Sixteen percent of the insured claimants were veterans.

## Firm Update

### Expansions (past 12 months)

**General Electric Corp.** has purchased Edwards Systems Technology for \$1.4 billion.

**Irving Tanning** has after months of uncertainty emerged from bankruptcy and its sale to Meriturn Partners completed. The company announced that approximately 200 of the mills 240 employees will be retained.

**C.M. Almy and Son Inc.**, a 113-year-old church vestment, religious article and candle company, has acquired its largest competitor, The Kerry Collection of Carlsbad, Calif., and is moving all distribution to its Pittsfield facility.

**Central Maine Laundry Service** in Pittsfield, which provided linen cleaning for six central and coastal Maine hospitals, will be closing by the end of October with at least 26 employees being laid off. The laundry had been purchased last October by Affiliated Health Systems, a for-profit subsidiary of Eastern Maine Healthcare Systems, and its day-to-day operations were managed by Seabasticook Valley Hospital.

## Future Economic Development Projects

The **Irving Oil Corp.**, a Canada-based fuel company plans to develop an Irving Big Stop near the Newport-Palmyra line that would include a convenience store, two restaurants, a trucker's lounge and more. A former farm off Interstate 95 will become home to the region's most expansive truck stop according to a recently filed traffic permit application with the state.

**Irving Tanning Co.**, the country's largest side leather producer, on the verge of bankruptcy a year ago, is poised today for a major expansion that likely will bring 100 new jobs to a small Somerset County town. Through new technology, what had been a waste product of the mill will now become seat covers and side panel covers in Ford, Mazda and Mercury vehicles and create new jobs for Hartland.

In Pittsfield, The **Seabasticook Valley Federal Credit Union** will be constructing a new branch office and corporate headquarters this spring on a parcel between Somerset Plaza and Interstate 95. The new credit union will contain more than 8,000 square feet of space.

**Cianbro Corp.**, the Pittsfield based construction giant announced that it will be retrofitting the world's two largest offshore supply vessels at Portland Harbor over the next year and a half, using Bath Iron Works as its primary subcontractor. More than 300 skilled people are expected to work on the project, performing structural fabrication and welding, pipefitting and pipe welding, and electrical work. A local naval architect has been hired to assist the project

## Presque Isle Labor Market Area

### Area Definition

The Presque Isle LMA includes Allagash, Ashland, Blaine, Bridgewater, Caribou, Castle Hill, Caswell Plantation, Central Aroostook unorganized, Chapman, Connor, Cyr, Eagle Lake, Easton, Fort Fairfield, Fort Kent, Garfield, Hamlin, Limestone, Mapleton, Mars Hill, Masardis, Merrill, Nashville Plantation, New Canada Plantation, New Sweden, Northwest Aroostook unorganized, Oxbow Plantation, Perham, Portage Lake, Presque Isle, Saint Francis, Saint John, Square Lake unorganized, Stockholm, Van Buren, Wade, Wallagrass Plantation, Washburn, Westfield, Westmanland, Winterville Plantation and Woodland.

### Civilian Labor Force Trends

Item	October 2006	September 2006	October 2005
Civilian Labor Force	25,580	25,190	25,400
Residents Employed	24,160	23,700	23,980
Unemployment	1,410	1,490	1,410
Unemployment Rate	5.5%	5.9%	5.6%

The local jobless rate decreased from 5.9 percent from September to 5.5 percent in October. Resident employment increased by 460 to 24,160, while unemployment fell by 80 to 1,410. More unemployment claims were filed from manufacturing and construction. Fewer claims were filed from agriculture and finance and insurance.

The highest monthly unemployment rate recorded here since new labor market area configurations became effective with January 2000 data was 7.9 percent in February 2005; the lowest was 3.1 percent in September and October 2000. The highest October unemployment rate recorded in this area was 5.6 percent in 2005. The lowest October rate on record was 3.1 percent in 2000.

Last October 23,980 local residents were employed, and 1,410 were unemployed, and the local jobless rate was 5.6 percent.

### Characteristics of the Insured Unemployed

In October 2006, 22 percent of the insured claimants were from public administration, 12 percent from manufacturing and 11 percent from credit intermediation services. As for occupation of separation, 18 percent were separated from production occupations, 15 percent from sales occupations and 14 percent from office occupations. Seventy-three percent said they were on a temporary layoff, 17 percent left their jobs voluntarily, and 10 percent were on a permanent layoff. Fifty-six percent of the claimants were male. Fifty-five percent were their family's primary wage earner, 22 percent lived alone, and 23 percent were secondary wage earners. Eighty-five percent had at least a high school education and 34 percent had at least some post secondary education. Sixteen percent of the insured claimants were veterans.

### Firm Update

#### Closings/layoffs (past 12 months)

**Bank of America** who just last month purchased credit card giant MBNA Corp. has closed four of seven call centers it acquired in Maine. Two of the centers are in Fort Kent and Presque Isle which employ approximately 130 and 160 workers, respectively.

**Kevlaur Industries** in Van Buren has temporarily laid off 24 workers in September.

**Fraser Papers Inc.** has announced 85 employees of the company's Ashland sawmill will be temporarily laid off. According to company officials the slowdown in housing starts across the United States and the

recent approval of a softwood lumber agreement between the U.S. and Canada have caused a glut of sawn lumber across the country. The company hopes to reassess market conditions over the next three weeks.

#### **Expansions (past 12 months)**

The **City of Caribou** has taken administrative action to assist the Department of Health and Human Services to relocate to the former Ames Department Store in the Skyway Plaza. This move will keep 125 DHHS workers in Caribou.

A new \$1.6 million corporate hanger was completed at **Northern Maine Regional Airport** in Presque Isle. With funding provided by the 2004 transportation bond issue, the heated hangar will allow storage and maintenance of commercial aircraft servicing Presque Isle.

**Local Area 1 Workforce Investment Board** covering Washington and Aroostook Counties has for the second year in a row finished first place in the state in meeting federally established performance standards. Congratulations to the dedicated people who made this happen!

**Naturally Potatoes**, a Mars Hill based firm manufactures ready to cook potato products has been sold to Basic American Foods of California. No operational changes are expected.

**Frasier Papers** has announced their intention of selling their 240,000 acre parcel of timberlands. The property located in southeastern Aroostook County will be conveyed to Heartland Forest fund V, a division of The Forestland Group which owns and manages the timber resources on approximately 1.5 million acres in 11 states. Included in the sale agreement is a 20 year contract to provide Frasier with wood fiber.

The owners of Slopes Microbrewery in Presque Isle have rented 6,400 square feet in the city's spec building and formed **Northern Maine Bottling LLC**. The company bottles, sells and market 16 ounce bottles of spring water under the brand name "Achapani".

Two national chain stores, **Family Dollar Stores** and **Rent-A-Center** opened in Houlton.

**Fiber Resource Group of Maine** has announced that they will occupy the Ferry Street Complex in Van Buren to open a facility to convert rolled paper from paper mills into marketable size rolls. The company will initially create 15 new jobs for area workers.

The **Irish Setter Pub** has opened on Main Street in Presque Isle.

The **Maine Military Authority** has recalled 30 workers out of the 134 laid off in May 2006. However, 104 remain on layoff

FND, Inc., doing business as **Audiotronics** headquartered in Frenchville has been named the 2006 Small Business of the year award. The company is New England's largest retrofitter of ambulances and emergency vehicles.

**ATX/Kleinrock** (ATX Forms in Caribou) has been purchased by CCH a division of a Dutch firm Wolters Kluwer. Started in Caribou, the company specializes in tax preparation and accounting software.

**Lowe's** has opened the chain's newest location - a 147,000-square-foot superstore on Maysville Street in Presque Isle. A store of this size represents an average investment of about \$12 million and has created more than 120 new jobs, all but a few being filled by County residents.

**Maine Potato Growers Inc.** is building a new 14,000-square-foot hardware store on Parsons Street in Presque Isle. Completion is scheduled for early 2007.

### **Future Economic Development Projects**

The **Defense Finance and Accounting Service** in Limestone has gained approximately 150 of its announced 310 new employees in 2006. The expansion of DFAS Limestone will take place over a period of three years.

**Maurices Inc.**, based in Duluth, Minn., and operates about 500 Maurices Inc., including two Maine establishments in Auburn and Waterville - has opened a 4,468-square-foot store at the Aroostook Centre Mall.

Sens. Olympia Snowe and Susan Collins have introduced legislation to enlarge the **Aroostook County Empowerment Zone** to include all of Aroostook County. The present zone includes 23 of the county's 71 communities. The new legislation would triple the size of the Empowerment Zone, giving businesses and governments throughout northern Maine equal opportunities for assistance.

**Maine Mutual Group** announced that they are working on a more than \$5 million expansion that is expected to create 35 to 50 new jobs over the course of 10 years. MMG writes more than \$95 million in personal and commercial policies in Maine, New Hampshire and Vermont - about 50 percent of which are conducted within Maine.

**Bank of America** has sold the two buildings which housed their now closed call centers in Presque Isle and Fort Kent. A local economic development agency bought the buildings. The Northern Maine Finance Corp. is currently negotiating with prospective tenants.

**Gardiner Savings Institution** has agreed to acquire Presque Isle-based First Citizens Bank. The \$20.9 million stock purchase deal is expected to close in the fourth quarter of 2006. The purchase adds First Citizens Bank's five branches in northern Maine to Gardiner Savings' 21 branches throughout central and mid-coast Maine.

A Canadian telemarketing company will take over the former MBNA call center and create 300 jobs. **Connect North America Corp.** will make the vacant building its first site in the United States. The site became vacant earlier this year after Bank of America acquired MBNA and shut down four call centers in Maine. The Presque Isle center employed about 250 people. Local and state officials have been working with Connect North America since May. Contact North America was founded in 1992 in St. Stephen, New Brunswick, with 30 employees. It now has its headquarters in Fredericton, New Brunswick, and has grown to about 450 employees (Associated Press, Tuesday, November 7, 2006).

**Microdyne Outsourcing** has been interviewing at the Presque Isle Career Center for customer support personnel. They are expecting to hire approximately 60 individuals to work from their homes in support of Microdyne's client companies.

**Evergreen Wind Power LLC** is close to schedule in constructing their Mars Hill wind power project on Mars Hill Mountain. They expect all 28 wind turbines to be in place by the end of the year. At a cost of \$55 million, the project is expected to produce 42 megawatts of electricity when at full capacity, enough to provide electricity to 45,000 homes.

**The Aroostook Medical Center** is expanding out and up in a \$2.4 million renovation project at its A.R. Gould Memorial Hospital to make more room for its cancer care program and pharmacy. Ground work is under way for a three-story, 2,000-square-foot addition to the hospital's east annex. (By Rachel Rice, Bangor Daily News, Saturday, November 04, 2006)